



El Camino Health

Summary of Financial Operations

*Fiscal Year 2023 – Period 3
7/1/2022 to 09/30/2022*

Executive Summary - Overall Commentary for Period 3

- Operating margin for period 3 was unfavorable to budget by \$1.5M and \$4.8M lower than the same period last year. Operating performance was impacted negatively by the following:
 - Inpatient charges \$39.2M / 19.7% favorable to budget, but there was significant shift in payor mix from Commercial to Medicare.
 - Average daily census 24.9% above than budget, but mostly driven by medical vs. surgical cases.
 - Acute average length of stay 13.1% above than budget, which drove higher variable expenses with minimal additional revenue.
 - Cost per CMI adjusted discharge was 3.8% unfavorable to budget.
- Gross charges were favorable to budget by \$44.4M / 10.6% and \$44.2M / 10.5% higher than the same period last year.
- Net patient revenue was favorable to budget by \$4.1M / 3.8% and \$8.2M / 7.8% higher than the same period last year.
- Operating margin was unfavorable to budget by \$1.5M / 14.4% and \$4.8M / 34.3% lower than the same period last year.
- Operating EBIDA was unfavorable to budget by \$1.2M / 6.7% and \$4.2M / 19.7% lower than the same period last year.
- Net income was unfavorable to budget by \$63.5M and \$45.3M lower than the same period last year. This is attributed the continued unfavorable capital market's impact on investment income.

Operational / Financial Results: Period 3 – September 2022 (as of 09/30/2022)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	302	242	60	24.9%	268	34	12.8%	---	---	---
	Total Acute Discharges	1,794	1,625	169	10.4%	1,771	23	1.3%	---	---	---
	Adjusted Discharges	3,437	3,347	91	2.7%	3,441	(4)	(0.1%)	---	---	---
	Emergency Room Visits	6,238	5,098	1,140	22.4%	5,777	461	8.0%	---	---	---
	OP Procedural Cases	12,172	12,845	(673)	(5.2%)	12,722	(550)	(4.3%)	---	---	---
	Gross Charges (\$)	464,347	419,942	44,404	10.6%	420,182	44,165	10.5%	---	---	---
Operations	Total FTEs	3,263	3,292	(29)	(0.9%)	3,007	257	8.5%	---	---	---
	Productive Hrs. / APD	28.2	31.4	(3.2)	(10.2%)	28.7	(0.5)	(1.9%)	---	---	---
	Cost Per CMI AD	18,724	18,036	688	3.8%	16,765	1,958	11.7%	---	---	---
	Net Days in A/R	57.9	54.0	3.9	7.3%	52.6	5.3	10.1%	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	112,931	108,785	4,145	3.8%	104,776	8,154	7.8%	138,547	82,105	---
	Total Operating Revenue (\$)	116,468	112,646	3,822	3.4%	108,256	8,213	7.6%	152,743	109,602	---
	Operating Margin (\$)	9,175	10,721	(1,546)	(14.4%)	13,970	(4,795)	(34.3%)	1,915	3,836	---
	Operating EBIDA (\$)	17,086	18,308	(1,222)	(6.7%)	21,289	(4,203)	(19.7%)	11,188	10,741	---
	Net Income (\$)	(49,719)	13,735	(63,454)	(462.0%)	(4,408)	(45,311)	1028.0%	8,124	7,343	---
	Operating Margin (%)	7.9%	9.5%	(1.6%)	(17.2%)	12.9%	(5.0%)	(39.0%)	1.9%	3.5%	---
	Operating EBIDA (%)	14.7%	16.3%	(1.6%)	(9.7%)	19.7%	(5.0%)	(25.4%)	8.3%	9.8%	---
	DCOH (days)	245	325	(80)	(24.7%)	344	(99)	(28.8%)	306	355	---

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2021. Dollar amounts have been adjusted to reflect monthly averages.

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 30, 2021. Dollar amounts have been adjusted to reflect monthly averages.

DCOH total includes cash, short-term and long-term investments.

Operational / Financial Results: YTD FY2023 (as of 09/30/2022)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	296	245	51	21.0%	265	31	11.8%	---	---	---
	Total Acute Discharges	5,407	4,981	426	8.6%	5,257	150	2.9%	---	---	---
	Adjusted Discharges	10,383	10,132	251	2.5%	10,325	59	0.6%	---	---	---
	Emergency Room Visits	17,644	15,750	1,894	12.0%	16,386	1,258	7.7%	---	---	---
	OP Procedural Cases	36,727	39,672	(2,945)	(7.4%)	37,639	(912)	(2.4%)	---	---	---
	Gross Charges (\$)	1,398,754	1,269,945	128,810	10.1%	1,245,092	153,662	12.3%	---	---	---
Operations	Total FTEs	3,242	3,251	(9)	(0.3%)	2,980	262	8.8%	---	---	---
	Productive Hrs. / APD	28.2	31.3	(3.1)	(9.9%)	28.5	(0.2)	(0.7%)	---	---	---
	Cost Per CMI AD	17,942	18,036	(95)	(0.5%)	16,146	1,796	11.1%	---	---	---
	Net Days in A/R	57.9	54.0	3.9	7.3%	52.6	5.3	10.1%	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	339,781	327,707	12,074	3.7%	311,032	28,748	9.2%	415,642	246,314	---
	Total Operating Revenue (\$)	350,590	339,418	11,172	3.3%	321,373	29,217	9.1%	455,728	328,806	---
	Operating Margin (\$)	36,843	31,427	5,417	17.2%	40,002	(3,158)	(7.9%)	5,745	11,508	---
	Operating EBIDA (\$)	60,278	54,309	5,969	11.0%	62,041	(1,763)	(2.8%)	33,565	32,223	---
	Net Income (\$)	(8,807)	40,168	(48,975)	(121.9%)	31,844	(40,651)	(127.7%)	24,373	22,030	---
	Operating Margin (%)	10.5%	9.3%	1.2%	13.5%	12.4%	(1.9%)	(15.6%)	1.9%	3.5%	---
	Operating EBIDA (%)	17.2%	16.0%	1.2%	7.5%	19.3%	(2.1%)	(10.9%)	8.3%	9.8%	---
	DCOH (days)	245	325	(80)	(24.7%)	344	(99)	(28.8%)	306	355	---

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2021.

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 30, 2021

DCOH total includes cash, short-term and long-term investments.

Key Statistics: Period 3 and YTD (as of 09/30/2022)

Key Metrics	Month to Date			Variance (%)		Year to Date			Variance (%)	
	PY	CY	Budget	CY vs PY	CY vs Budget	PY	CY	Budget	CY vs PY	CY vs Budget
ADC	268	302	242	12.8%	24.9%	265	296	245	11.8%	21.0%
Utilization MV	71%	80%	63%	12.3%	26.9%	70%	78%	64%	12.0%	22.1%
Utilization LG	32%	37%	32%	15.1%	16.2%	33%	37%	32%	10.9%	16.2%
Utilization Combined	59%	67%	53%	12.8%	24.9%	58%	65%	54%	11.8%	21.1%
Adjusted Discharges	3,441	3,437	3,347	(0.1%)	2.7%	10,325	10,383	10,132	0.6%	2.5%
Total Discharges (Exc NB)	1,771	1,794	1,625	1.3%	10.4%	5,257	5,407	4,981	2.9%	8.6%
Total Discharges	2,214	2,175	2,017	(1.8%)	7.8%	6,484	6,594	6,151	1.7%	7.2%
Inpatient Case Activity										
MS Discharges	1,160	1,228	1,066	5.9%	15.2%	3,481	3,693	3,293	6.1%	12.1%
Deliveries	464	406	420	(12.5%)	(3.2%)	1,322	1,275	1,255	(3.6%)	1.6%
BHS	119	123	109	3.4%	13.1%	330	325	332	(1.5%)	(2.0%)
Rehab	32	37	30	15.6%	21.8%	115	111	101	(3.5%)	9.8%
Outpatient Case Activity										
Total Outpatient Cases	17,060	16,831	16,778	-1.3%	0.3%	50,516	51,109	51,833	1.2%	(1.4%)
ED	4,338	4,659	3,932	7.4%	18.5%	12,877	14,382	12,161	11.7%	18.3%
OP Surg	562	631	404	12.3%	56.1%	1,753	1,802	1,231	2.8%	46.4%
Endo	220	327	195	48.6%	67.5%	730	803	639	10.0%	25.6%
Interventional	180	202	188	12.2%	7.3%	578	578	578	0.0%	0.0%
All Other	11,760	11,012	12,058	(6.4%)	(8.7%)	34,578	33,544	37,224	(3.0%)	(9.9%)
Hospital Payor Mix										
Medicare	45.6%	49.9%	47.2%	9.3%	5.4%	47.2%	49.4%	47.3%	4.6%	4.3%
Medi-Cal	8.7%	9.2%	8.3%	5.5%	10.0%	8.3%	8.8%	8.3%	5.0%	5.0%
Commercial	43.9%	38.7%	42.5%	(11.9%)	(9.9%)	42.3%	39.8%	42.4%	(6.0%)	(6.7%)
Other	1.8%	2.3%	2.1%	25.1%	9.4%	2.1%	2.1%	2.0%	(1.3%)	4.1%

Enterprise Income Statement: Rolling 16 Monthly Trend (\$000s)

	FY2021	FY2022												FY2023			YTD FY2023	Rolling 16 Monthly Average
	Period 12	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 1	Period 2	Period 3		
	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22		
Operating Revenues:																		
Gross Revenue	408,078	406,295	418,615	420,182	414,012	419,177	433,046	417,996	402,507	478,275	421,254	445,891	445,643	441,741	492,667	464,347	1,398,754	433,108
Deductions from Revenue	(295,840)	(304,521)	(314,132)	(315,406)	(307,380)	(311,920)	(320,014)	(308,618)	(296,548)	(355,111)	(316,480)	(335,881)	(327,733)	(333,232)	(374,326)	(351,416)	(1,058,974)	(323,035)
Net Patient Revenue	112,238	101,774	104,482	104,776	106,632	107,257	113,033	109,378	105,960	123,165	104,774	110,010	117,911	108,509	118,341	112,931	339,781	110,073
Other Operating Revenue	4,706	3,116	3,746	3,479	4,506	3,600	3,648	3,362	3,313	3,577	4,293	3,297	4,430	4,057	3,215	3,537	10,809	3,743
Total Operating Revenue	116,945	104,889	108,228	108,256	111,138	110,857	116,681	112,741	109,273	126,741	109,067	113,307	122,341	112,566	121,556	116,468	350,590	113,816
Operating Expenses:																		
Salaries, Wages and Benefits	48,101	53,000	53,940	53,629	56,001	53,709	55,947	59,347	55,256	60,098	57,347	53,852	43,799	59,111	64,371	61,295	184,778	55,550
Supplies	15,156	15,109	14,569	14,862	14,502	14,941	16,060	16,051	15,296	17,661	15,225	16,471	12,943	14,550	17,113	17,604	49,266	15,507
Fees & Purchased Services	19,915	14,390	14,182	14,800	14,760	15,210	14,955	14,291	16,550	17,352	15,127	13,626	16,397	13,091	14,722	16,493	44,306	15,366
Other Operating Expenses	6,002	3,598	3,577	3,676	3,586	3,842	4,112	3,829	4,290	3,821	3,517	3,726	4,649	4,089	3,883	3,990	11,963	4,012
Interest	1,367	1,419	1,418	1,418	1,418	1,420	1,419	1,421	1,380	1,384	1,394	1,393	1,404	1,440	1,434	1,479	4,353	1,413
Depreciation	5,740	4,727	7,157	5,902	5,798	6,440	6,173	6,046	6,311	6,246	6,438	6,101	6,733	6,394	6,256	6,432	19,081	6,181
Total Operating Expenses	96,281	92,242	94,844	94,286	96,065	95,561	98,665	100,984	99,084	106,561	99,048	95,169	85,924	98,675	107,778	107,293	313,746	98,029
Operating Margin	20,664	12,648	13,384	13,970	15,073	15,297	18,016	11,756	10,189	20,180	10,020	18,138	36,416	13,891	13,777	9,175	36,843	15,787
Non-Operating Income	20,041	(4,099)	14,319	(18,378)	24,361	(21,232)	17,581	(31,539)	(32,720)	3,935	(56,388)	1,696	(48,858)	35,529	(22,285)	(58,894)	(45,650)	(11,058)
Net Margin	40,705	8,549	27,703	(4,408)	39,435	(5,935)	35,596	(19,783)	(22,531)	24,115	(46,369)	19,834	(12,442)	49,420	(8,508)	(49,719)	(8,807)	4,729
Operating EBIDA	27,771	18,793	21,959	21,289	22,290	23,156	25,608	19,223	17,881	27,810	17,851	25,632	44,553	21,725	21,467	17,086	60,278	23,381
Operating Margin (%)	17.7%	12.1%	12.4%	12.9%	13.6%	13.8%	15.4%	10.4%	9.3%	15.9%	9.2%	16.0%	29.8%	12.3%	11.3%	7.9%	10.5%	13.9%
Operating EBIDA Margin (%)	23.7%	17.9%	20.3%	19.7%	20.1%	20.9%	21.9%	17.1%	16.4%	21.9%	16.4%	22.6%	36.4%	19.3%	17.7%	14.7%	17.2%	20.5%

Financial Overview: Period 3 – September 2022

Period ending 9/30/2022

Monthly Financial/Operational Performance

- Operating margin was unfavorable to budget by \$1.5M / 14.4% and unfavorable to prior year by \$4.8M / 34.3%
- Revenue was favorable to budgeted levels:
 - Favorable variance of gross charges of \$44.4M was driven by primarily Inpatient activity:
 - Inpatient gross charges: Favorable to budget by \$39.2M / 19.7% variance primarily driven by activity in the lab, emergency services, critical care, telemetry, medical/surgical nursing units and neonatal intensive care
 - Outpatient gross charges: Favorable to budget by \$7.4M / 3.5% variance primarily driven by emergency, surgical services, and corresponding ancillary services
 - Professional gross charges: Unfavorable to budget by \$2.2M / 20.2%
 - Operating Expenses were unfavorable to budget by \$5.4M / 5.3%
 - SWB were unfavorable by \$4.6M / 8.2%; \$2.5M of the unfavorable variance from outside labor
 - Supplies were unfavorable by \$1.3M / 8.0%
 - Supply expenses attributed to Covid-19 were \$690K and \$1.1M YTD
 - All other discretionary non-volume driven expenses were favorable to budget by \$500K
- Unfavorable market performance continues to drive unrealized losses for the investment portfolio
- Adjusted Discharges (AD)
 - Mountain View: Unfavorable to budget by 26 ADs / 1.0% and below prior year by 74 ADs / 3.2%%
 - Los Gatos: Favorable to budget by 89 ADs / 11.1% and above prior year by 99 ADs / 12.4%
- Operating expense per CMI adjusted discharge: \$18,724 which is 3.8% unfavorable to budget

Note: Excludes depreciation and interest

Financial Overview: Period 3 – September 2022 (cont.)

Period ending 9/30/2022

Monthly Financial Performance

El Camino Health Medical Network (ECHMN) Operations:

- September's total visits of 18,548 reflect a decrease of 3.0% over the prior month's 19,115. While August had two additional business days, September's visits per day of 858 reflect an increase of 5.8% over the prior month's 811 visits per day.
- September's total visits were unfavorable to budget by 8.0%. For the three months of FY2023 total visits are unfavorable to budget, excluding the Cardiology integration, by 4.2%.
- Net Income for the month of September, excluding the budgeted Cardiology program that was delayed, was unfavorable to budget by \$152K or 4.9%. Compared to last year, September's net income was unfavorable by \$584K or 21.8%. For the three months ended September 2022 the organization is unfavorable to the prior year by \$1.1M or 13.6%.

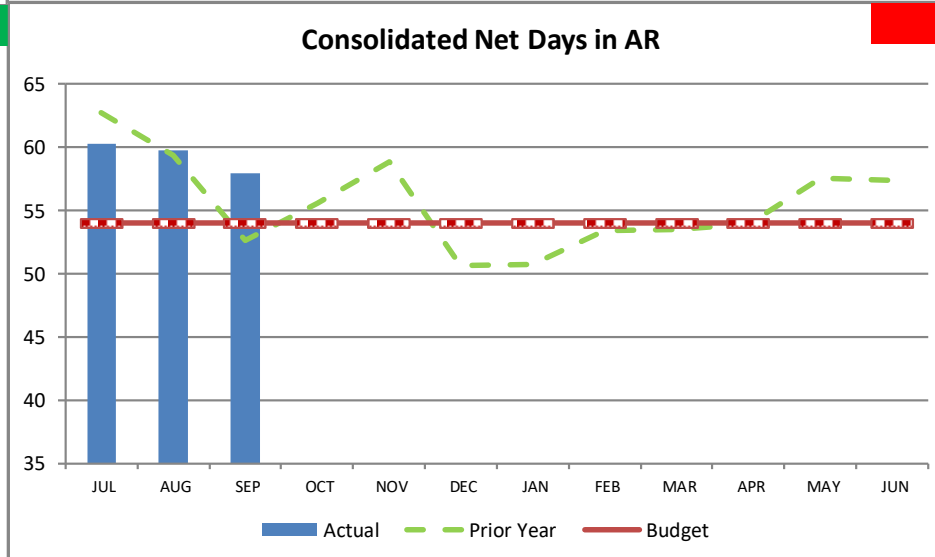
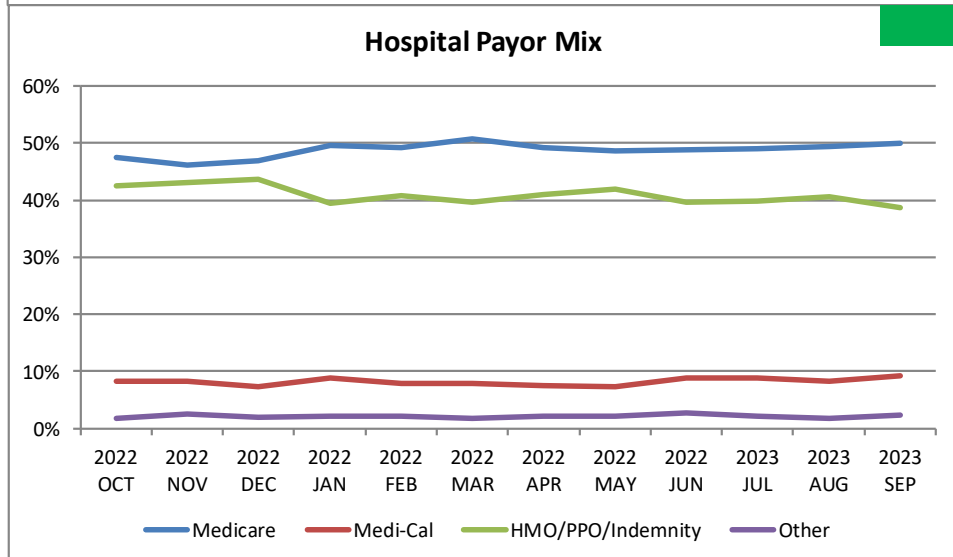
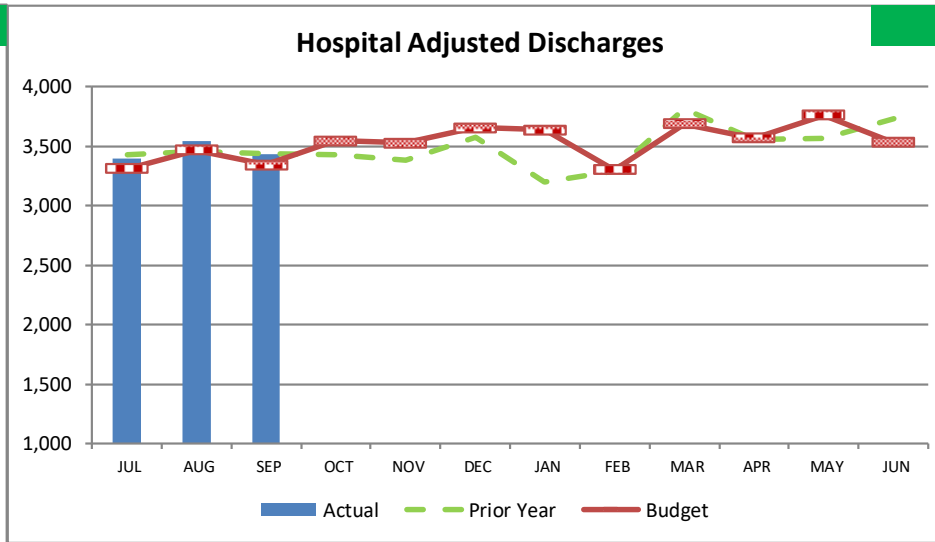
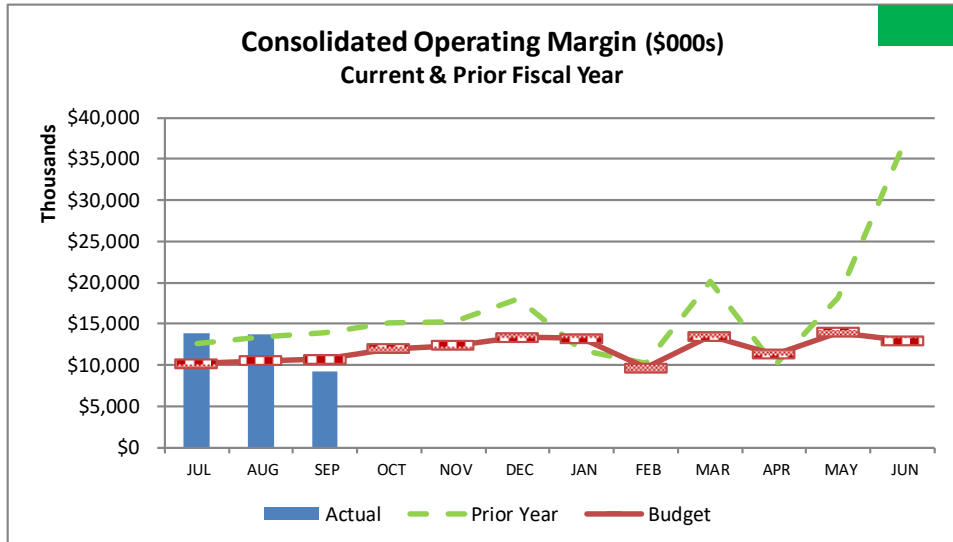
Financial Overview: YTD FY2023 (as of 9/30/2022)

Consolidated Financial Performance

- YTD FY2023 operating margin is \$36.8M compared to the budget of \$31.4M and \$3.1M / 7.9% below prior year
- Operating expense is \$5.8M / 1.9% unfavorable to budget
 - When adjusted for volume levels, operating expense per CMI adjusted discharge is \$17,942 which is 0.5% favorable to budget.
 - **Note: Excludes depreciation and interest expense**
- Year-over-year operating margin is \$3.1M below the same period last year:
 - Favorable: Continued strength in emergency services, outpatient surgery, and maternal child services
 - Unfavorable: Increased activity in Inpatient general medicine (non-procedural) services
- Year-over-year net margin is \$40.7M below the same period last year, which is attributed to unfavorable investment income.

APPENDIX

YTD FY2023 Financial KPIs – Monthly Trends



Investment Scorecard (as of 09/30/2022)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY22 Budget	Expectation Per Asset Allocation
Investment Performance		CY 3Q 2022/ FY 1Q 2023		Fiscal Year-to-Date 2023		Since NEPC Inception (3/31/22)		FY 2022	2019
Surplus cash balance* (millions)		\$1,240.2	--	--	--	--	--	--	--
Surplus Cash Return	Yellow	-4.0%	-4.1%	-4.0%	-4.1%	-12.3%	-11.8%	4.0%	5.6%
Cash balance plan balance (millions)		\$285.6	--	--	--	--	--	--	--
Cash balance plan return	Yellow	-4.6%	-4.4%	-4.6%	-4.4%	-14.8%	-12.8%	6.0%	6.0%
403(b) plan balance (millions)		n/a	--	--	--	--	--	--	--
Risk vs. Return		3-year			Since NEPC Inception (3/31/22)			2019	
Surplus cash Sharpe ratio	Yellow	0.13	0.19	--	--	n/a	n/a	--	0.34
Net of fee return	Yellow	1.5%	2.0%	--	--	-12.3%	-11.8%	--	5.6%
Standard deviation	Yellow	9.4%	9.7%	--	--	n/a	n/a	--	8.7%
Cash balance Sharpe ratio	Yellow	0.18	0.25	--	--	n/a	n/a	--	0.32
Net of fee return	Yellow	2.1%	2.8%	--	--	-14.8%	-12.8%	--	6.0%
Standard deviation	Yellow	12.4%	11.3%	--	--	n/a	n/a	--	10.3%
Asset Allocation		CY 3Q 2022/ FY 1Q 2023							
Surplus cash absolute variances to target	Green	7.2%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target	Green	8.6%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 3Q 2022/ FY 1Q 2023							
Surplus cash manager flags		n/a	< 24% Green < 30% Yellow	--	--	--	--	--	--
Cash balance manager flags		n/a	< 27% Green < 34% Yellow	--	--	--	--	--	--

* Excludes debt reserves and District assets (\$40.2 mm)



Notes on Key Performance Indicator Status:

- Investment Performance: Status based on Since NEPC Inception return vs. Benchmark
- Risk vs. Return: Status based on 3-year metrics vs. Expectations Per Asset Allocation

Period 3 and YTD Operating Income, Non-Operating Income and Net Income by Affiliate (as of 09/30/2022)

(\$000s)

	Period 3- Month			Period 3- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	7,905	10,417	(2,511)	32,826	30,388	2,438
Los Gatos	4,752	3,828	925	13,377	11,233	2,145
Sub Total - El Camino Hospital, excl. Affiliates	12,658	14,244	(1,586)	46,203	41,621	4,582
Operating Margin %	11.3%	13.3%		13.7%	12.9%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	(57,364)	2,702	(60,066)	(44,125)	7,807	(51,932)
El Camino Hospital Net Margin	(44,706)	16,946	(61,653)	2,078	49,427	(47,349)
ECH Net Margin %	(39.7%)	15.8%		0.6%	15.3%	
Concern	(598)	91	(689)	(493)	259	(753)
Foundation	(1,089)	(32)	(1,057)	(1,375)	(43)	(1,332)
El Camino Health Medical Network	(3,327)	(3,272)	(55)	(9,017)	(9,475)	458
Net Margin Hospital Affiliates	(5,013)	(3,212)	(1,801)	(10,885)	(9,259)	(1,626)
Total Net Margin Hospital & Affiliates	(49,719)	13,735	(63,454)	(8,807)	40,168	(48,975)

Consolidated Statement of Operations (\$000s)

Period 3 ending 09/30/2022

Period 3 FY 2022	Period 3 FY 2023	Period 3 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
420,182	464,347	419,942	44,404	10.6%	Gross Revenue	1,245,092	1,398,754	1,269,945	128,810	10.1%
(315,406)	(351,416)	(311,157)	(40,259)	(12.9%)	Deductions	(934,059)	(1,058,974)	(942,238)	(116,736)	(12.4%)
104,776	112,931	108,785	4,145	3.8%	Net Patient Revenue	311,032	339,781	327,707	12,074	3.7%
3,479	3,537	3,861	(323)	(8.4%)	Other Operating Revenue	10,340	10,809	11,712	(903)	(7.7%)
108,256	116,468	112,646	3,822	3.4%	Total Operating Revenues	321,373	350,590	339,418	11,172	3.3%
OPERATING EXPENSE										
53,629	61,295	56,655	(4,639)	(8.2%)	Salaries & Wages	160,569	184,778	172,765	(12,013)	(7.0%)
14,862	17,604	16,305	(1,299)	(8.0%)	Supplies	44,540	49,266	48,659	(607)	(1.2%)
14,800	16,493	16,524	31	0.2%	Fees & Purchased Services	43,372	44,306	49,110	4,804	9.8%
3,676	3,990	4,854	863	17.8%	Other Operating Expense	10,851	11,963	14,576	2,613	17.9%
1,418	1,479	1,397	(82)	(5.9%)	Interest	4,254	4,353	4,191	(162)	(3.9%)
5,902	6,432	6,190	(242)	(3.9%)	Depreciation	17,785	19,081	18,691	(391)	(2.1%)
94,286	107,293	101,926	(5,368)	(5.3%)	Total Operating Expenses	281,371	313,746	307,992	(5,755)	(1.9%)
13,970	9,175	10,721	(1,546)	(14.4%)	Net Operating Margin	40,002	36,843	31,427	5,417	17.2%
(18,378)	(58,894)	3,014	(61,908)	(2054.1%)	Non Operating Income	(8,158)	(45,650)	8,741	(54,392)	(622.2%)
(4,408)	(49,719)	13,735	(63,454)	(462.0%)	Net Margin	31,844	(8,807)	40,168	(48,975)	(121.9%)
21,289	17,086	18,308	(1,222)	(6.7%)	Operating EBIDA	62,041	60,278	54,309	5,969	11.0%
19.7%	14.7%	16.3%	(1.6%)		Operating EBIDA Margin	19.3%	17.2%	16.0%	1.2%	
12.9%	7.9%	9.5%	(1.6%)		Operating Margin	12.4%	10.5%	9.3%	1.2%	
(4.1%)	(42.7%)	12.2%	(54.9%)		Net Margin	9.9%	(2.5%)	11.8%	(14.3%)	

El Camino Hospital – Mountain View

Statement of Operations (\$000s)

Period 3 ending 09/30/2022

Period 3 FY 2022	Period 3 FY 2023	Period 3 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
					OPERATING REVENUES					
319,630	349,785	312,780	37,005	11.8%	Gross Revenue	939,066	1,058,641	950,705	107,936	11.4%
(239,019)	(264,588)	(230,885)	(33,702)	(14.6%)	Deductions	(700,528)	(800,974)	(702,671)	(98,303)	(14.0%)
80,611	85,197	81,895	3,303	4.0%	Net Patient Revenue	238,537	257,667	248,034	9,633	3.9%
1,437	1,936	1,572	364	23.1%	Other Operating Revenue	3,988	5,347	4,864	483	9.9%
82,048	87,133	83,467	3,666	4.4%	Total Operating Revenues	242,525	263,014	252,898	10,116	4.0%
					OPERATING EXPENSES					
42,643	48,342	44,001	(4,341)	(9.9%)	Salaries & Wages	127,191	145,577	134,762	(10,815)	(8.0%)
11,017	12,910	11,728	(1,182)	(10.1%)	Supplies	33,220	35,638	35,077	(561)	(1.6%)
6,732	8,460	7,764	(696)	(9.0%)	Fees & Purchased Services	20,124	20,832	23,601	2,769	11.7%
2,448	3,088	3,356	268	8.0%	Other Operating Expense	7,076	8,998	10,370	1,372	13.2%
1,418	1,479	1,397	(82)	(5.9%)	Interest	4,254	4,353	4,191	(162)	(3.9%)
4,547	4,948	4,803	(145)	(3.0%)	Depreciation	13,733	14,791	14,508	(283)	(1.9%)
68,805	79,228	73,050	(6,177)	(8.5%)	Total Operating Expenses	205,599	230,188	222,510	(7,679)	(3.5%)
13,243	7,905	10,417	(2,511)	(24.1%)	Net Operating Margin	36,926	32,826	30,388	2,438	8.0%
(17,842)	(57,364)	2,702	(60,066)	(2222.9%)	Non Operating Income	(7,823)	(44,125)	7,807	(51,932)	(665.2%)
(4,599)	(49,459)	13,119	(62,578)	(477.0%)	Net Margin	29,104	(11,299)	38,195	(49,494)	(129.6%)
19,208	14,333	16,617	(2,284)	(13.7%)	Operating EBIDA	54,913	51,970	49,087	2,882	5.9%
23.4%	16.4%	19.9%	(3.5%)		Operating EBIDA Margin	22.6%	19.8%	19.4%	0.3%	
16.1%	9.1%	12.5%	(3.4%)		Operating Margin	15.2%	12.5%	12.0%	0.5%	
(5.6%)	(56.8%)	15.7%	(72.5%)		Net Margin	12.0%	(4.3%)	15.1%	(19.4%)	

El Camino Hospital – Los Gatos

Statement of Operations (\$000s)

Period 3 ending 09/30/2022

Period 3 FY 2022	Period 3 FY 2023	Period 3 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
90,575	106,256	96,658	9,597	9.9%	Gross Revenue	276,517	314,905	291,227	23,678	8.1%
(69,755)	(81,221)	(73,330)	(7,891)	(10.8%)	Deductions	(214,109)	(241,087)	(221,052)	(20,034)	(9.1%)
20,820	25,035	23,329	1,707	7.3%	Net Patient Revenue	62,408	73,819	70,174	3,644	5.2%
274	301	262	39	14.9%	Other Operating Revenue	837	864	788	77	9.7%
21,094	25,336	23,590	1,746	7.4%	Total Operating Revenue	63,245	74,683	70,962	3,721	5.2%
OPERATING EXPENSE										
8,843	10,544	9,882	(662)	(6.7%)	Salaries & Wages	27,498	32,415	30,064	(2,351)	(7.8%)
3,576	4,454	4,245	(208)	(4.9%)	Supplies	10,504	12,686	12,575	(111)	(0.9%)
3,582	4,165	3,993	(172)	(4.3%)	Fees & Purchased Services	10,246	11,886	12,095	209	1.7%
347	258	556	298	53.6%	Other Operating Expense	910	992	1,718	726	42.3%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
1,059	1,163	1,086	(77)	(7.1%)	Depreciation	3,176	3,326	3,277	(49)	(1.5%)
17,406	20,584	19,763	(821)	(4.2%)	Total Operating Expense	52,334	61,306	59,730	(1,576)	(2.6%)
3,688	4,752	3,828	925	24.2%	Net Operating Margin	10,911	13,377	11,233	2,145	19.1%
0	0	0	0	0.0%	Non Operating Income	23	0	0	0	0.0%
3,688	4,752	3,828	925	24.2%	Net Margin	10,934	13,377	11,233	2,145	19.1%
4,747	5,915	4,913	1,002	20.4%	Operating EBIDA	14,088	16,704	14,510	2,194	15.1%
22.5%	23.3%	20.8%	2.5%		Operating EBIDA Margin	22.3%	22.4%	20.4%	1.9%	
17.5%	18.8%	16.2%	2.5%		Operating Margin	17.3%	17.9%	15.8%	2.1%	
17.5%	18.8%	16.2%	2.5%		Net Margin	17.3%	17.9%	15.8%	2.1%	

El Camino Health Medical Network

Statement of Operations (\$000s)

Period 3 ending 09/30/2022

Period 3 FY 2022	Period 3 FY 2023	Period 3 Budget 2023	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2022	YTD FY 2023	YTD Budget 2023	Variance Fav (Unfav)	Var%
OPERATING REVENUES										
9,977	8,306	10,504	(2,197)	(20.9%)	Gross Revenue	29,510	25,208	28,013	(2,805)	(10.0%)
(6,632)	(5,608)	(6,942)	1,334	19.2%	Deductions	(19,422)	(16,913)	(18,515)	1,601	8.6%
3,346	2,699	3,562	(864)	(24.2%)	Net Patient Revenue	10,087	8,295	9,499	(1,203)	(12.7%)
912	617	1,288	(671)	(52.1%)	Other Operating Revenue	2,685	2,548	3,844	(1,295)	(33.7%)
4,258	3,316	4,850	(1,534)	(31.6%)	Total Operating Revenues	12,772	10,843	13,342	(2,499)	(18.7%)
OPERATING EXPENSES										
1,696	1,951	2,267	316	13.9%	Salaries & Wages	4,607	5,450	6,401	951	14.9%
263	237	325	88	27.1%	Supplies	790	921	989	67	6.8%
3,847	3,544	4,355	811	18.6%	Fees & Purchased Services	11,668	10,715	12,235	1,520	12.4%
846	602	893	291	32.6%	Other Operating Expense	2,710	1,845	2,344	499	21.3%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
284	309	283	(27)	(9.4%)	Depreciation	839	929	849	(80)	(9.4%)
6,936	6,643	8,122	1,479	18.2%	Total Operating Expenses	20,615	19,860	22,817	2,957	13.0%
(2,677)	(3,327)	(3,272)	(55)	(1.7%)	Net Operating Margin	(7,842)	(9,017)	(9,475)	458	4.8%
0	0	0	0	0.0%	Non Operating Income	0	0	0	0	0.0%
(2,677)	(3,327)	(3,272)	(55)	(1.7%)	Net Margin	(7,842)	(9,017)	(9,475)	458	4.8%
(2,393)	(3,018)	(2,989)	(29)	(1.0%)	Operating EBIDA	(7,003)	(8,088)	(8,626)	538	6.2%
(56.2%)	(91.0%)	(61.6%)	(29.4%)		Operating EBIDA Margin	(54.8%)	(74.6%)	(64.7%)	(9.9%)	
(62.9%)	(100.3%)	(67.5%)	(32.9%)		Operating Margin	(61.4%)	(83.2%)	(71.0%)	(12.1%)	
(62.9%)	(100.3%)	(67.5%)	(32.9%)		Net Margin	(61.4%)	(83.2%)	(71.0%)	(12.1%)	

Consolidated Balance Sheet (as of 09/30/2022)

(\$000s)

ASSETS	Unaudited		LIABILITIES AND FUND BALANCE	Unaudited	
	September 30, 2022	June 30, 2022		September 30, 2022	June 30, 2022
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	189,126	196,067	Accounts Payable	52,073	51,286
Short Term Investments	101,772	138,654	Salaries and Related Liabilities	44,408	46,502
Patient Accounts Receivable, net	213,989	209,668	Accrued PTO	35,581	34,449
Other Accounts and Notes Receivable	16,134	9,927	Worker's Comp Reserve	2,300	2,300
Intercompany Receivables	12,027	13,998	Third Party Settlements	12,845	14,942
Inventories and Prepaids	39,980	36,476	Intercompany Payables	9,285	13,489
Total Current Assets	573,028	604,789	Malpractice Reserves	2,096	2,096
			Bonds Payable - Current	9,905	9,905
BOARD DESIGNATED ASSETS			Bond Interest Payable	3,238	8,096
Foundation Board Designated	20,650	18,721	Other Liabilities	11,615	15,739
Plant & Equipment Fund	322,737	310,367	Total Current Liabilities	183,346	198,804
Women's Hospital Expansion	30,369	30,261			
Operational Reserve Fund	182,907	182,907	LONG TERM LIABILITIES		
Community Benefit Fund	16,713	18,299	Post Retirement Benefits	30,054	29,783
Workers Compensation Reserve Fund	14,029	14,029	Worker's Comp Reserve	14,029	14,029
Postretirement Health/Life Reserve Fund	30,054	29,783	Other L/T Obligation (Asbestos)	26,350	5,073
PTO Liability Fund	34,808	33,709	Bond Payable	465,414	466,838
Malpractice Reserve Fund	1,903	1,906	Total Long Term Liabilities	535,848	515,723
Catastrophic Reserves Fund	23,538	24,668			
Total Board Designated Assets	677,707	664,651	DEFERRED REVENUE-UNRESTRICTED	12,198	12,864
FUNDS HELD BY TRUSTEE	2	0	DEFERRED INFLOW OF RESOURCES	104,367	51,133
LONG TERM INVESTMENTS	461,229	499,483	FUND BALANCE/CAPITAL ACCOUNTS		
			Unrestricted	2,134,197	2,154,900
CHARITABLE GIFT ANNUITY INVESTMENTS	890	940	Board Designated	208,648	210,197
			Restricted	40,052	36,601
INVESTMENTS IN AFFILIATES	29,329	30,376	Total Fund Bal & Capital Accts	2,382,897	2,401,698
PROPERTY AND EQUIPMENT			TOTAL LIABILITIES AND FUND BALANCE	3,218,656	3,180,222
Fixed Assets at Cost	1,898,179	1,872,501			
Less: Accumulated Depreciation	(797,508)	(778,427)			
Construction in Progress	114,357	96,603			
Property, Plant & Equipment - Net	1,215,027	1,190,676			
DEFERRED OUTFLOWS	19,324	19,474			
RESTRICTED ASSETS	34,603	31,200			
OTHER ASSETS	207,515	138,632			
TOTAL ASSETS	3,218,656	3,180,222			